



**Indiana Finance Authority
Work Plan for U.S. EPA Brownfields Revolving Loan Fund
Cooperative Agreement /Assistance Amendment #BL-00E48101-1**

This project supports the Environmental Results Goal 4, Healthy Communities and Ecosystems, Objective: 4.2; Sub Objective: 4.2.3.

CFDA: 66.818

CERCLA Authority: 104(k)(2)&(3) -The Small Business Liability Relief and Brownfields Revitalization Act (2002 Brownfields Law)

DCN: STX

Budget: FY 08

Budget Org: 05F2AG7

Object Class: 4114

Program Results Code (PRC): Hazardous Substances 402D79E
Petroleum 402D79EBP

Project Period: June 1, 2008 – July 31, 2013

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Proposed Outputs & Outcomes:

The primary expected **Output** (Quantitative Measure) is as follows: \$2,831,044 in Brownfields Revolving Loan Fund Grant (RLF Grant) funds (including the state's 20% cost share/cash match of \$471,840) will be used to increase the Indiana Brownfields Program's (Program) capacity to issue loan(s) to address and reduce the threat of hazardous substances, contaminants or pollutants through use of the RLF Grant funds to remediate and rehabilitate contaminated property within a selected community(ies) (RLF Incentive).

The primary expected **Outcome** (Qualitative Measure) is as follows: The Program expects all the RLF Grant funds may initially be loaned to two borrowers (City of Shelbyville and City of Evansville, the coalition member for the Program's \$2 million RLF award) for remediation of brownfield sites in their respective communities, resulting in cleanup and redevelopment and the creation of new jobs and improved environmental quality in the borrowers' communities. As repayments are made under the initial loan(s), the funds will be revolved, enabling the Program to provide financial assistance through additional loans to other communities throughout Indiana to address environmental issues at their brownfield properties and return them to productive use.

I. PROJECT BACKGROUND

The United States Environmental Protection Agency (U.S. EPA) has awarded the State of Indiana (State) RLF Grant funding in the amount of \$2,359,204 for remediation of suspected or confirmed hazardous and/or petroleum substances-contaminated properties located in disadvantaged neighborhoods in Indiana. The Indiana Finance Authority (Authority), through the Program, will perform all administrative duties of grant management and will be directly responsible to U.S. EPA for all grant requirements, including grant reporting and financial management of the grants on behalf of the State. Funding under Cooperative Agreement/Assistance Amendment (AA) #BL00E481-01-1 will capitalize loans (minimum 60%) and/or provide cleanup subgrants ($\leq 40\%$, in the form of up to a 30% maximum forgivable component of a loan, capped at \$200,000 per loan) at petroleum and/or hazardous substances-contaminated brownfields statewide pursuant to the 2002 Brownfields Law.

The targeted area for this RLF Grant funding is the State, with priority first being given to the City of Shelbyville, which has an approved application for a loan from the Program, and to the City of Evansville (the coalition member for the Program's \$2 million RLF Grant award), which has a need for a large loan to help address environmental issues at brownfield properties in its community.

II. PROJECT GOALS AND OBJECTIVES

The goals relating to utilization of this RLF Grant funding include:

- Increase the Program's capacity to issue loans to address contamination from hazardous and/or petroleum substances, contaminants, or pollutants, enabling first the Cities of Shelbyville and Evansville, and then other communities statewide, to return properties to viable use;
- Enable the Program to revolve loan funds (create a continual funding source) to sustain its ability to address increasing demand for support of local redevelopment efforts across the State;
- Reduce the environmental threat of hazardous and petroleum-contaminated sites to affected communities through cleanup and reuse;
- Leverage the RLF Grant funds with other redevelopment assistance or other funding (Federal grants, State grants/loans, local public/private match, etc.) to further remediation and rehabilitation, renovation, or new construction within selected communities;

- Create a continual financing source as an incentive for selected communities to clean up hazardous and petroleum-contaminated sites;
- Publicize to stakeholders such as businesses, property owners and residents the availability of financial and technical assistance to clean up and redevelop abandoned or underutilized commercial/industrial properties;
- Create a well-publicized, user-friendly revolving loan incentive;
- Increase employment services in areas with high unemployment.

III. PROJECT ROLES AND RESPONSIBILITIES

The Program will undertake four primary tasks under the AA:

Task 1: Establish RLF

Task 2: Market RLF & Community Involvement

Task 3: Make Loans (Hazardous Substances &/or Petroleum)

Task 4: Oversee Cleanup & Report to EPA

Task 1: Establish RLF (In-kind services)

A. Define Staff Roles

The AA Recipient serves as the Fund Manager. The Program will manage the fund and direct the implementation of the RLF Incentive. Program staff includes employees from both the Authority and the Indiana Department of Environmental Management (IDEM).

Project Manager: Michele Oertel Ms. Oertel will serve as the project manager/contact person (Project Manager) for the RLF Grant. The Project Manager will forward all necessary financial and progress reports to U.S. EPA Region 5. The Project Manager will also act as a liaison between the Authority and U.S. EPA, the public, property owners, and other stakeholders. As necessary, Ms. Oertel will be assisted by Cindy Shively Klem, Program Counsel, in addition to other financial, legal & technical Program staff.

Technical Review Coordinator: Kevin Davis Mr. Davis is the Program's Technical Review Coordinator and will be responsible for supervising the work of the Program's technical staff and coordinating the oversight of loan-funded work.

Site Manager: The Site Manager for each RLF-funded project will be a Program technical project manager. The Site Manager will conduct oversight of cleanup activities and ensure that the RLF-funded cleanups meet applicable and appropriate requirements under Federal and State environmental laws; monitor all contractors performing RLF-funded cleanup work; maintain site-specific records, draft necessary reports for each site. Up to six technical project managers will be available to serve as Site Managers to perform technical oversight of the loan-funded cleanup activities.

Director of Environmental Programs: Jim McGoff Mr. McGoff is the Authority's Director of Environmental Programs and will serve as Chief Executive.

Finance Manager: Matt Martin Mr. Martin is the Authority's Finance Manager, and will serve as Payee (the individual responsible for tracking loan disbursements).

B. Perform Grant Management

Grant management activities will be provided as in-kind services and will consist of Program staff developing the RLF Incentive (e.g., drafting guidelines and outreach materials), evaluating the overall progress and success of the RLF Incentive, fulfilling reporting requirements to U.S. EPA, and any other grant management responsibilities set forth in the AA.

Grant Management		
Activities	Deliverables	To Be Completed By
Document and report to U.S. EPA Region 5 on a quarterly basis: <ul style="list-style-type: none"> • Selected loan recipients/sites • Current/proposed remediation activities • Community involvement • Expenditures and budget status • Requested modifications to work plan(s) • Key measures of success 	Quarterly progress reports DBE Reports	First progress report due January 30, 2009 Subsequent progress reports will be due on a quarterly basis within thirty (30) days of the end of the previous reporting period Semi-annually
Document and report annual financial status of grants	Annual financial status reports	October 30, 2008 – 2013
Complete grant closeout requirements	Grant closeout forms	October 30, 2013

C. Develop RLF Incentive Application & Guidelines

The Program has existing guidelines for its low-interest loan (LIL) incentive which will form the framework of the RLF incentive guidelines to be developed and be modified as necessary to incorporate applicable Federal requirements under the AA. The application and award process will mirror the Program's current process for LIL and comply with the RLF Incentive guidelines. An application will be developed based on the existing LIL application, and applicants will be accepted on an ongoing basis until the grant funds are all obligated. These activities will be provided as in-kind services.

Deliverable: RLF Incentive guidelines & application for RLF loan

Target Application Completion Date: November 30, 2008

D. Develop Model Loan Document

U.S. EPA has approved a template loan agreement for use of RLF Grant funds (RLF Loan Agreement) that was developed for the proposed loan to the City of Shelbyville. The Program

will work with U.S. EPA as necessary to modify the RLF Loan Agreement for future loan recipients. The development of this document is provided as in-kind services.

Deliverable: Template RLF Loan Agreement

Target Completion Date: Done

Task 2: Market RLF Incentive & Community Involvement (In-kind services)

A. Market RLF Incentive

The Program will market the RLF Incentive and communicate progress to the public with assistance from borrower communities and their local partners. These activities will be provided as in-kind services and will consist of sending messages to email listservs; posting information to web sites; authoring articles for newsletters; creating and distributing fliers, fact sheets, and press releases; and giving presentations around the State. Progress on site-specific remediation work will also be shared with the public through the methods listed above as appropriate.

B. Community Involvement

The Program will ensure that all public notice and community participation requirements are satisfied, including the development and implementation of site-specific Community Relations Plans (CRP) prior to and/or following loan closings/site selection, with input from the borrowers as necessary, pursuant to requirements in the National Oil and Hazardous Substances Pollution Contingency Plan (NCP) for U.S. EPA review and acknowledgment. A CRP will consist of the following, at a minimum, regarding public notification and response:

- Availability of documents, including information about the proposed loan and site remedial approach
- Public meetings/hearings (including as part of bond approval process)
- Allowance of adequate public comment periods, at least a 30-day notice
- Preparation of a summary of public comments

Market RLF Incentive		
Activities	Deliverables	To Be Completed By
Hold public availability session(s) to explain the RLF Incentive/planning	Summary of relevant comments and responses received; include in U.S EPA reports	<i>April 2008 – present</i> (Web page solicitation of input) November 2008 (public availability session(s))
Develop marketing material (e.g., fact sheet, brochure, web page)	Promotional piece	December 2008
Distribute information statewide regarding the RLF Incentive via the Program’s newsletter and various email listservs, including the Program’s, the Indiana Land Use Consortium’s, and the Indiana Association of Cities and Towns’	RLF information posted to Program’s web site, distributed via listserv, and included in Program’s newsletter News releases and fact sheets created to describe site-specific progress & successes and included in U.S. EPA quarterly reports	December 2008; broader distribution after March 2009 deadline for Evansville’s “priority” funding) (Ongoing as clean-up activities progress)

Community Involvement		
Activities	Deliverables	To Be Completed By
Develop borrower/site-specific CRP & submit to EPA for review	CRP	Ongoing, on or before loan closing and/or as a part of clean-up process
Create a local repository in the borrower community/community where site is located with all relevant information		On or before loan closing
Hold site-specific public meetings and/or solicit public comment (e.g., to review site-specific ABCA) and/or bond hearings	Summary of relevant comments and responses received included in U.S EPA reports	Ongoing and in accordance with CRP

Task 3: Make Loans (Hazardous Substances &/or Petroleum)

Through in-kind services, the Program will be responsible for all programmatic costs associated with implementing the RLF Incentive, including selecting loan recipients and issuing loans. The Program will consult with U.S. EPA for site/borrower eligibility determinations. At the outset, \$2.4 million of the available RLF Grant funds will be offered to the Program's \$2 million award coalition member, the City of Evansville, and the Program anticipates closing a loan with City of Shelbyville in the near term for \leq \$800,000. Remaining RLF Grant funds (and later, revolved funds) will be offered to eligible applicant(s) statewide according to the RLF guidelines. The Program's objective is to loan the entire amount of the RLF Grant funding and cash match within the first eighteen (18) months of the award date of the AA (9/10/08).

A. RLF Selection Criteria

After the City of Evansville has been extended an offer of RLF Grant funds and funds remain (or are revolving), each subsequent loan request will follow a series of steps to meet the selection criteria established in the RLF guidelines. These criteria will be developed (as indicated above in Task 1.C.) and may include steps such as:

- Presentation/meeting between borrowers and the Program to discuss the sites
- U.S. EPA acknowledgment of eligibility of sites/borrowers
- Complete loan application
- Cost-estimate provided (itemized for individual project activities in accordance with the RLF guidelines)
- Fiscal review by Program including, if required, local fiscal ordinance or other debt repayment source

B. Issue Loans

The RLF guidelines will outline available interest rate(s) and terms(s) of the loans and forgivable component (subgrants) for the RLF Incentive. Funds will be disbursed to a loan recipient after loan closing and according to the terms of the loan agreement, including, but not limited to, Program review and approval of invoices as compared to the Program-approved Scope of Work

(“actual expense” method). The Program will track disbursement of federal funds to ensure they are spent on eligible costs (with the fiscal oversight provided by the Finance Manager).

Year 1	\$2,831,044 (RLF Grant funding including 20% cost share/cash match of \$471,840)
Year 2	\$ balance of Year 1
Year 3	\$ balance of Year 2 (and/or begin revolving funds)
Year 4	\$ balance of Year 3 (and/or begin revolving funds)
Year 5	\$ balance of Year 4 (and/or begin revolving funds)

Deliverable: Loan agreement(s) with forgivable component, if applicable

Target Completion Date: 2013

Select Loan Recipient(s); Issue Loan(s)/Subgrant(s)		
Activities	Deliverables	To Be Completed By
Create RLF Selection Criteria	Guidelines	November 30, 2008
Create RLF Loan Agreement Template with optional forgivable component	Template RLF Loan Agreement submitted to U.S. EPA	<i>Done</i>
Execute Loan Agreement with borrower/revolve loan repayments	Executed Loan Agreement(s) submitted to U.S. EPA	City of Shelbyville – October 31, 2008 City of Evansville – March 30, 2009 Statewide loan recipients – all RLF Grant funds obligated by 2013

C. Issue Subgrants

Subgrants (using ≤ 40% of RLF Grant funds) may effectively be issued in the form of up to a 30% maximum forgivable component of a loan, capped at \$200,000 per loan (pursuant to the RLF guidelines and consistent with the *Discounted Loans Policy* captured in the AA Terms & Conditions). Using the RLF guidelines as a framework, remediation and economic development goals will be included in the loan agreement, and their satisfaction required as a condition of loan forgiveness. The same schedule listed above is applicable.

Task 4: Oversee Cleanup & Report to U.S. EPA (In-kind services)

A. Oversight by Program staff

Oversight of cleanup activities (technical assistance) using IDEM’s Risk Integrated System of Closure (RISC) will be provided as in-kind services and will consist of Program technical staff overseeing the project consultants’ remediation work and preparation of written reports, including the Analysis of Brownfield Cleanup Alternatives (ABCA). Comment letters regarding completed remediation activities will be issued to the loan recipients as appropriate or when

requested. When appropriate, Program staff will also be available to discuss other financial assistance that may be available through the Program or U.S. EPA to complete cleanup.

Per the Terms & Conditions of the AA, Program staff will consult with U.S. EPA regarding the applicability of any federal cross-cutting requirements and associated implementing regulations prior to conducting or engaging in any on-site activity.

B. Reporting, Closeout, and Post-Closeout Activities

Reporting, closeout and post-closeout activities will be provided as in-kind services. Program staff will evaluate the overall progress and success of the RLF incentive and fulfill reporting requirements to U.S. EPA. The Program will initiate discussions with U.S. EPA to negotiate the terms of the Closeout Agreement in accordance with the Terms & Conditions of the AA. Program staff will prepare reports and closeout documents, and develop and implement post-closeout activities. The Authority will maintain all financial and programmatic records, supporting documents, statistical records and other records that are required under the AA. Activities under this task include:

- Submitting quarterly reports and notification of Property Profile forms
- Submitting a Closeout Report, including all applicable forms and annual Financial Status Report(s)
- Submitting Post-Closeout CA Reporting and Records Maintenance

Oversight		
Activities	Deliverables	To Be Completed By
Review and approve QAPP, HASP, ABCA and Final Remediation Work Plan (RWP)	Correspondence as necessary	Ongoing
Prepare Site/Borrower Eligibility Determinations as appropriate	Eligibility Determination Memos	Ongoing
Perform field inspection/oversight of cleanup activities	Documentation/Field Notes	Ongoing
Provide technical comment letters for each project, including discussion of additional environmental work that may be necessary	Comment letters	Ongoing
Provide cleanup planning assistance as necessary	Correspondence as necessary	Ongoing
Update Property Profile Forms in ACRES as appropriate	Updated Property Profile Form	As needed

C. Loan Recipient(s) to Hire Consultant(s) to Undertake Cleanup

Loan recipients will use RLF Grant funds under the terms and conditions of an approved RLF Loan Agreement to fund remediation work. The selection of an environmental consultant to perform excavation, disposal, capping, and other remediation activities will be pursuant to the terms of the RLF guidelines (and any applicable Terms and Conditions of the AA) at selected

brownfield sites that are eligible for funding. As discussed above, cleanup work will be completed under the oversight of the Program and will require a site-specific QAPP, HASP, ABCA and remediation cleanup documents prepared in coordination with a Program Site Manager, including a Final Remediation Work Plan and Final Report, all of which will be reviewed and approved by the Program and, if necessary, by the U.S. EPA.

IV. MEASURES OF SUCCESS

- a) Number of phone calls, community meetings, or other public forums held to discuss opportunity for RLF loans for brownfields cleanup and redevelopment
- b) Number of inquiries regarding loans received by Program
- c) Number of loan applications received by Program
- d) Number of loans funded by Program
- e) Amount of dollars loaned under RLF Incentive
- f) Amount of dollars provided as subgrants (forgivable component of loan) under RLF Incentive
- g) Loans repaid
- h) Number of sites that obtain loans to clean up on-site hazardous materials contamination
- i) Number of sites that obtain loans to clean up on-site petroleum contamination
- j) Number of sites that obtain subgrants (receive repayment forgiveness) to clean up on-site hazardous materials contamination
- k) Number of sites that obtain subgrants (receive repayment forgiveness) to clean up on-site petroleum contamination
- l) Number of sites that are cleaned up for reuse for industrial, commercial, residential, or other beneficial purposes (tracked by category of end use)
- m) Number of acres cleaned up
- n) Types of contaminants cleaned up
- o) Number of acres redeveloped
- p) Number of jobs created
- q) Increase in tax base
- r) Return on investment (leveraged public/private funds)

V. BUDGET

The entire amount of grant funding, \$2,831,044 (including the 20% cost share/cash match of \$471,840) will be used to provide loans to communities/private entities to hire environmental consultants to perform remediation activities at eligible hazardous substances and petroleum-contaminated brownfield sites in Indiana.

Through in-kind services, the Program will be responsible for all programmatic costs associated with establishing the RLF, performing community outreach, identifying and selecting loan recipients, prioritizing sites, providing oversight of consultant activities, and evaluating/reporting progress to U.S. EPA. The source of funding for all in-kind services associated with this AA is Indiana's Environmental Remediation Revolving Loan Fund, also known as the Brownfields Fund. *See* IC 13-19-5.

Note: although the State receives CERCLA Section 128(a) funding, no 128(a) funds or any other Federal monies will be used to match, support, or leverage the RLF Grant funds.

The table below demonstrates the budget for RLF Grant funding. Although not a part of the required 20% cost-share, the estimated total value for all in-kind services provided by the Authority/Program to implement the RLF Incentive is approximately \$150,000.

Narrative for the Budget Table:

Personnel – All personnel costs associated with this grant will be provided through in-kind services.

Fringe Benefits – All fringe benefit costs associated with this grant will be provided through in-kind services.

Travel – All travel costs associated with the administration of this grant, including technical oversight of the consultant's field work, will be provided through in-kind services. Any travel costs associated with the remediation work (consultant-incurred costs) are included in the Other category.

Supplies – All costs for supplies associated with the administration of this grant will be provided through in-kind services. Any costs for supplies associated with the remediation work (consultant-incurred costs) are included in the contractual category.

Other (Loans/Subgrant) – The total anticipated loan funded costs for remedial services is \$2,831,044 for hazardous substances/petroleum-contaminated sites. This will cover costs associated with the borrower's development (in coordination with the Program) of the QAPP, HASP, ABCA and all other remediation documents, including, but not limited to, a Final Remediation Work Plan and a Final Report, in addition to cleanup costs at a site.

**Table 1: Budget for RLF-funded work Related to
Hazardous Substances and Petroleum-Contaminated Brownfield Sites**

Budget Categories	Project Tasks for Cleanup Loans (≥60% of available funds; incl. cash match for 20% cost share)					
	TASK 1: Establish RLF	TASK 2: Market RLF/Com- munity Involvement	TASK 3: Make Loans Hazardous Substances Petroleum		TASK 4: Oversee Cleanup & Report to EPA	Total
Personnel	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*
Fringe Benefits	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*
Travel	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*
Supplies	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*
Other (Loans)	IN KIND*	IN KIND*	\$815,522	\$600,000	IN KIND*	\$1,415,522
Sub Total	0	0	\$815,522	\$600,000	0	\$1,415,522
20% Cost Share	0	0	\$163,104	\$120,000	0	\$283,104
Budget Categories	Project Tasks for Cleanup Discounted Loans (≤40% of available funds; incl. cash match for 20% cost share) (subgrant/forgivable component, ≤ 30% of loan amount, \$200k cap per loan)					
	TASK 1: Establish RLF	TASK 2: Market RLF/Com- munity Involvement	TASK 3: Make Loans Hazardous Substances Petroleum		TASK 4: Oversee Cleanup & Report to EPA	Total
Personnel	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*
Fringe Benefits	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*
Travel	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*
Supplies	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*	IN KIND*
Other (Subgrant/ Forgivable Loan Amount)	IN KIND*	IN KIND*	\$543,682	\$400,000	IN KIND*	\$943,682
Sub Total	0	0	\$543,682	\$400,000	0	\$943,682
20% Cost Share	0	0	\$108,736	\$80,000	0	\$188,736
Total RLF	0	0	\$1,359,204	\$1,000,000	0	\$2,359,204
Total Cost Share	0	0	\$271,840	\$200,000	0	\$471,840
Total Available Loan Funds	0	0	\$1,631,044	\$1,200,000	0	\$2,831,044